

GST BULLETIN

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GST rollout from July 1st will be a challenge for industry: ASSOCHAM

Assocham said that implementing GST from July 1 will be a challenge for the industry and the government should consider relaxing penal provisions for a couple of quarters to help it comply with the new tax regime.

“Implementing GST from July 1 will definitely be a challenge for the industry... there could be people making genuine mistakes. I would say the department should be softer in the first quarter or two because it is going to be a learning process,” Assocham

Govt. enumerates GST regime benefits that Telecom sector will receive

Government recently enumerated GST regime benefits that Telecom sector will receive, by doing a detailed calculation of the additional credits that the sector will receive. Govt. said as per some ‘estimates’, the telecom industry will benefit from additional 2% Input Tax Credit (ITC) which could be as much as 2% of the turnover of the Industry. Govt. further stated that entire credit with regards to ITC of Service Tax

President Sandeep Jajodia told PTI in an interview.

He sought relaxation on imposition of penal provisions for at least a quarter or two, if not the whole year.

COMMENT: GST has been in news for over 2 years and has crossed many hurdles for its implementation. However, industry will find it very difficult at the start of its implementation regarding compliance and various other issues. The Government should consider having a

paid on spectrum charges (in 2016), can now be availed in one single year, i.e. 2017-18 rather than over period of 3 years under current indirect tax regime. Citing these figures, Govt. directed telecom cos. to ” re-work their costing and credits availability and re-jig their prices and ensure that the increased availability of credit is passed on to the customers by lowering their costs...”.

relaxation period of atleast 6 months before imposing any penalties.

Revenue Secretary Hasmukh Adhia clarifies on certain GST issues

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Hasmukh Adhia clarified the following while replying to queries on GST: Transition rules and Tax rates for textiles to be decided on June 3, 2017, Govt. to issue transition clarifications on half-finished Works Contracts., No Cess on Sugar, Electricity is out of GST for now, No GST on residential rent, No Clean Energy Cess on Coal. Only compensation cess of same amount to be levied and Mandi tax on food grains would remain. It’s like service charge paid to APMC for use of Mandi. No other cess/purchase tax on food grains.

Comment: This would be helpful for the industry ahead of GST rollout

COMMENT: It would be beneficial for the telecom sector if they can avail input tax credit within one year.

Upon GST execution inflation will fall by 2% : Hasmukh Adhia

Inflation will fall by 2% on implementation of the goods and services tax (GST) and create buoyancy in the economy, revenue secretary Hasmukh Adhia has said. In an interview to PTI, he said the all-powerful GST council will meet next week to decide on tax rates of contentious items like gold, bidi and biscuits, just in time for its rollout from 1 July. The council assigned tax rates to more than 500 services and 1,200 goods by setting them in five broad rates of 5, 12, 18 and 28%

Comment: GST has always

GST will have a positive implication on road logistics sector:

ICRA

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The Goods and Service Tax (GST) roll out is likely to improve the flow of goods on account of reduction in turnaround time as VAT related check posts will be removed, rating agency ICRA said on Friday. The agency said GST implementation will be a positive development for the road logistics sector. Post GST, a more efficient and organised logistics sector is expected to evolve gradually, it added.

“The GST regime is likely to have a significant bearing on the way transportation and storage of goods happens across the country,” IcrA said in a statement. The GST would have three major implications for the logistics sector -- consolidation of warehousing network and a shift towards a ‘hub and spoke’ model, higher degree of tax compliance and creation of level playing field between express and traditional transport services, it said.

COMMENT: The road logistics sector will be more efficient and organised eventually after the roll out of GST.

been seen as a profitable step for the Indian economy.

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